

## DYNAMICS AND PERFORMANCE OF WOMEN SELF HELP GROUPS IN TELANGANA STATE

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### ABSTRACT

*Group approach has been contributing significantly to poverty alleviation Programme in developing countries especially in Asia. In India, Self Help Group (SHG) approach is more successful than the other group approaches; it is the more attractive scheme with less effort. Microcredit through self-help groups (SHGs) has emerged as a facilitator to reach the rural poor. Group dynamics refer to the interaction of forces among group members in a social situation. It is the internal nature of the group as to how they are formed, what their structures and processes are, how they function and affect individual members, other groups and the organization (Van and Schaller, 2008). Women participation in Self Help Groups has obviously created a tremendous impact upon the life pattern and style of poor women and has empowered them at various levels.*

*Therefore, a study was designed to study the dynamics of women self-help groups, their growth Pattern and factors contributing to the sustainability of women's groups, in agriculture and allied sectors. Results revealed that out of 447 SHGs studied over a period of 5 years, it was observed that no SHG was defunct or discontinued. It was interesting to note that all the SHG members were working in a coordinated manner with group working spirit. There were no dropouts or nonoperational groups at any stage of SHG or modifications in memberships of the members for many reasons. Members were constant throughout the 5 years' period, indicating their potency and sustainability of the group.*

**KEYWORDS:** Dynamics, Self Help Group, Growth Pattern & Sustainability

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### INTRODUCTION

Self-help group movement is increasingly accepted as an innovation in the field of rural credit in many developing countries, including India, to help the rural poor considered a vehicle to reach the disadvantaged and marginalized section, which in the normal course cannot avail of credit facility from the bank. In the growth pattern micro-finance has evolved as a need-based Programme for empowerment and alleviation of poverty to the so far abandoned target groups (women, poor, deprived, etc.) and micro-finance has become one of the most effective interventions for the empowerment of the poor. Self-Help Group concept is a well-known powerful instrument to alleviate the poverty and to empower the women since two decades. They are mobilized into SHGs for undertaking mutually beneficial social and economic activities. It is well-known fact that the SHGs have a role in rushing country's economic improvement. SHGs movement has provided women the much-needed platform to

build their capacity and actively participate in both economic and social sphere which guide to pull through the process of women's empowerment. The SHGs familiarity in India and other countries has shown a healthy potential of Microfinance to integrate with the developmental issues, thereby significantly impacting the lives of the poor. The main vision for joining the SHG is not simply to get just credit but it is an empowerment process having with motivational attributes encouraging women to join the job. An attempt has been made to analyze such motivational/ influential factors which encouraged women to join the SHGs and main motives for them to carry on in the groups for long periods. The main characteristics of the SHGs were studied under different heads are given below:

### Functional Characteristics

- Membership status
- Gap in formation and registration
- Collection
- Sustainability

### REVIEW OF LITERATURE

Poonam and ShuklaChhaya (2013) studied that, 36.67 per cent of respondents reported to have a membership since more than 5 years. They experienced the development of linkages with supporting an organization like the educational institute, bank, NGOs are essential for their long-term sustainability of self-help groups.

Sanchita, *et.al.*, (2013) reported that Characteristics of SHG members such as age, education are contributing to group dynamics effectiveness.

Poonam and ChhayaShukla, (2013), All the members reported to attend the meetings of self-help groups regularly. Meetings of the SHG generally held monthly as reported by half of the members (50%). In more than one fourth (27.77%) cases meetings held once in a week.

Das (2012) reported that various motivational factors such as a desire to work independently, fruitful time spending, self-dependent, opportunity to get training for skill enhancement etc ensure prolonged membership with the group varied from 3 years to 8 years accelerate their empowerment.

Joy Lina, *et.al.* (2008,) opined that factors determining the group performance of women-led self-help groups (SHGs) are socio-economic variables like age, education.

Kallur, M. S. (2001). Group approach has brought many operative values like group support, thrift, group action and sustainability of women SHGs.

### METHODOLOGY

The study was undertaken in 3 regions of Telangana State, representing 4 districts (Medak, Nalgonda, Karimnagar, and Ranga Reddy). A total of 1341 Office Bearers and 4858 Members' from 447 operating SHGs, covering 228 Mandals and 264 villages. From each of the four districts, SHG groups registered in 2008-09 were selected and secondary data from 2-3 SHGs from each village was collected personally through interview technique with the help of the pre-structured questionnaire. Collected data were tabulated and analyzed. This study assessed the Group Formation, factors

contributing to the sustainability of SHGs and the group dynamics of the Self Help Groups and identified the important dimensions contributing to their effectiveness.

## RESULTS & DISCUSSIONS

**Table 1: Distribution of SHGs According to Their Status**

	Active		Dormant				Discontinued
	Group Entrep. & Micro Fin.	Income Gen Ind. + Micro-Fin	Micro-Fin. +Metg /Discussed	Micro-Fin	Money Collection	Token Existence (Money Deposit by Functionary)	
Telangana (n=447)	2.0	51.0	49.0	0	0	0	0

The table 1 reveals that out of a total (447), Self Help Groups (SHGs) surveyed, 51 percent were **active** carrying various income generation activities both group and individual, 49 percent are **dormant groups** not taken up any Income Generation activities but are regularly in microfinance activities, meetings & discussions. Whereas there were no **discontinued groups** at all, i.e all SHGs (447) studied were 100% continuing since 5 years showing the sustainability in their SHGs. This continuous hand-holding of the GOVT officials throughout the formation process of SHGs and regular contacts with the women had created a great impact on the SHG women, which led to the strong unification and assurance among the group members leading to the long-term sustainability of the SHGs that is proved from the study that no single SHG was discontinued and all the (447) SHGs were continuing since 2008. The main motivating source for joining SHG include NGOs, banks, friends, neighbors, university staff and students. Among these factors, university staff and students and other successful working SHG had been reported as major sources of inspiration. The major primary motivational factors to join self-help groups included a desire to work independently, to spend time fruitfully, to be self-dependent and to improve the financial condition of the family.

**Table 2: Groups According to Gap in Formation and Registration**

Centers	Gap in Months					
	0	1-3	3-6	6-9	9-12	More than 12
Telangana (n= 447)	0	0	0	0	0	100.00

The study has proved that Self Help Group (SHG) process has a vast effect on the dynamics and sustainability of the SHGs. The major motivational factors are the awareness and the essence of joining into the SHGs created by the DRDA field staff at the time of formation of SHGs has great influence on the sustainability of SHGs, which exposed in the status of membership also at different stages of SHGs, i.e., formation, registration and present status. The gap in formation and registration was reported (table2) to be more than 12 months by all SHGs giving inference that people are given enough time to know, understand, conclude and decide before joining in an SHG.

**Table 3: Average Memberships of Groups at Different Stages**

Centers	Membership Status (Number of Members)						
	Formation		Registration		Present		
	F	Average	F	Average	N=	F	Average
Telangana (n= 447)	4858	10.87	4858	10.87	447	4858	10.87

From Table 3 it is studied that the average membership of groups is 11(10.87) at different stages of SHG formation, registration and present situations. There were no dropouts or changes of memberships of the members for many reasons. Members were constant throughout the 5 years' period, indicating their strength and sustainability of the group. The membership strong point of an SHG shows the merits and demerits of functioning because smaller membership of a group implies better coordination among group members. The length of time spent in Self-Help Group leads to the development of shared understandings and experiences. During the initial period, they begin to save and maintain accounts. SHG members training and animators training programmes are arranged. The expansion and diversification period focuses on creating assets for individual members or for the group.

**Table 4: Monthly Collection Status of Groups at Different Stages of Group Sustainability**

Centers	Average Collection in Rs		
	Formation	Registration	Present
Telangana(n= 447)	62.60	71.1	85.49

The members of the group are encouraged to collect regular thrift on a monthly basis and use the pooled resources to give interest bearing small loans to needy among the members. The field level officers teach the members to maintain simple accounts of the collected thrift and loans given to members. All these SHG members continue attendance registers and keep the records and were able to give their contribution regularly as well as make extra savings. The Self Help Groups studied were conducting meetings regularly and collecting monthly an amount of Rs 62.94 at formation stage, Rs.71.00 at registration stage and Rs. 85.49 at present stages. The increased amount of rupees at different stages shows the increased interest of the members to continue in the group leading to the growth and sustainability of the particular SHG. It can be concluded that SHG is having a good impact on the saving of the members.

**Table 5: Groups According to Frequency of Deposit**

Centers	Monthly	Quarterly	Six Monthly	Random /Token Deposit	Discontinued
Telangana (n= 447)	100.00	0	0	0	0

**Table 6: Groups According to Frequency of Meetings**

Center	Percentage of Groups			Mean Value of Total Groups (Range 1-3) From Total Groups	Mean Value of Sustaining Groups (Range 1-3)
	Regularly	Sometimes	Never		
Telangana (n = 447)	100	0	0	3	3

Regular meetings of SHGs determine whether they are active or dormant. The SHG meetings serve many purposes. It is the meeting place and the learning platform for all the members to exchange ideas, to discuss and to take decisions on group activities, etc. Ensuring participation of all SHG members in every meeting is an essential role. Conduct of group meetings is most important in SHGs. Group meetings need to be conducted with a certain discipline in relation to regularity, time and items to be discussed which is called agenda of the meeting. All this reflects the quality of SHGs. The meetings are conducted once in a month. The data (Table 5 & 6) that all the SHGs (447) members were reported to have a rule of depositing their savings and collections in the Bank monthly. All the members reported to attend the meetings of self-help groups regularly. Meetings of the SHG generally held monthly, no SHGs have reported to

conduct their meetings weekly or fortnightly showing their interest and significance for the sustainability to run their SHGs in the right mode.

**Table 7: Distribution of Groups According to Activities Undertaken and its Frequency During Meetings of SHG**

Center	Activities								Overall Mean of Frequency (Mean Score Range 1-3)
	Micro Financing		General Discussions		Discussion Regarding Particular Issues		Discussing or Organizing Trainings/Lectures/ Demo		
	% of Groups	Frequency (1-3)	% of Groups	Frequency (1-3)	% of Groups	Frequency (1-3)	% of Groups	Frequency (1-3)	
AP/Telangana (n=447)	100.00	3.00	100.00	3.00	16.11	2.67	50.33	1.86	2.63

From the above table, out of 447 SHGs studied, 100 percent are conducting group meetings for purpose of micro-financing and general discussions. To educate self and also their children, they conducted group meetings to discuss about income generating, credit and subscription etc. While 16.11 percent have conducted meetings to discuss regarding particular issues relating to women like domestic violence, health problems, social issues as child marriages, girl child education, etc. About half (50.33 percent) of SHGs conducted meetings to discuss about training lectures to be conducted or undergo within the SHG members. It is found that the majority (100%) of the SHGs has conducted meetings for savings and alliance with the group. This relationship within the SHGs helps in contributing to an arrangement of financial services that seek to meet the needs of the poor, both protecting them from irregular incomes and other financial sufferings and also helping them to promote their income and livelihood. The establishment of a good relationship with the borrowers will be helpful to provide financial viability and sustainability to SHGs also banks for the recovery of loans.

**Table 8: Source of Investment for Entrepreneurial Activities by Groups**

Centre	No. of Entrepreneurial Groups	Amount Invested (Rs.)	Source Wise % of Amount Invested ( % To be Calculated from the Total Amount Invested)			
			From Personal Savings of Members	Group Saving of SHG	Bank Loan	Any Other
AP/Telangana	10	1110000	170000.00	165000.00	775000.00	0

Based on certain indications such as conducting meetings, savings and membership, the banks grade the groups. When satisfied with the functioning of the group the banks give loans to the group. The loan amount depends on the savings of the SHG. Financial inclusion is to prevent the poor from the exploitation of money lenders and improving their economic conditions.

The above table reveals that 10 SHGs have started entrepreneurial activities and obtained loan amount up to Rs.1,70,000, from personal savings, Rs.1,65,000 from Group savings and Rs 7,75,000 from the banks. It is concluded that nearly three-fourths of the investment has been generated from the SHG linkages analyzing the gain of the SHG members being the members of their SHGs, authenticating the achieving the purpose of joining the SHG to promote savings and getting a loan from banks.

## CONCLUSIONS

The investigation has proved that Self Help Group (SHG) process has a vast effect on the dynamics and sustainability of the SHGs. The major motivational factors are the awareness and the essence of joining into the SHGs created by the DRDA field staff at the time of formation of SHGs has great influence on the sustainability of SHGs, which revealed in the status of membership at different stages of SHGs, i.e., formation, registration, and present status. The gap in formation and registration was reported to be more than 12 months by all SHGs giving inference that people are given enough time to know, understand, conclude and decide before joining in an SHG. At the same time, the collection and deposit of their monthly savings were done regularly at the time of their regular monthly meetings. All the SHGs studied were active with microfinance activities and no discontinued groups were reported as they all are well aware of the fruits of being an SHG member. In the direction of improvement, the regularity of meetings, participation of members, maintaining of books, regular transactions of savings and lending among members were being done in the right mode of sustainability with little or no outside support with the direction inculcated by the continuous hand-holding of the GOVT officials throughout the formation process of SHGs and regular contacts.

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